My name is Cheryl Haddock and I am here to share a brief overview of our post adoption support subsidy case experience with each of you. My hope is that, immediate and swift corrective action will be taken as a result of the evidence presented by those testifying before you at these hearings today. The continued very serious, and blatent compliance problems of the MI Dept. of Human Services in administering the federal title IV-E adoption support subsidy program here in Michigan needs to be immediately rectified at the risk of Michigan losing millions of federal funds. Additionally, the alarming questions raised in the auditor general's report about the allocation and misappropriation of federal monies is a very serious matter.

My beautiful adoptive son, Our sonander, was born in 1991 in Dearborn Michigan. The birth mother was mentally retarded and had Down's syndrome so Our sonander's adoption placement was facilitated by the, then, MI Dept. of Social Services case worker and a hospital social worker through a licensed MI private adoption agency. The State and the hospital represented to the adoption agency and to us that Our sonander was a healthy newborn infant born prematurely and the hospital discharge records indicated the same. Nothing could have been further from the truth.

When Our son was adopted in 1992 we did not know Our son's full medical history. We also did not know the multiple "red flags" in his birth mother's medical and social background that would have deterred us from adopting him. We had specifically requested in writing that any child we sought to adopt have no prenatal alcohol or drug exposure, and that it be A healthy child. We made this request because of our experience as foster parents with newborns who had been exposed to alcohol and drugs in utero and my extensive experience & training of these kids.

We inadvertently learned of the existence of the adoption support subsidy program prior to completion of Our son's adoption when a friend mentioned the adoption subsidy program in a casual conversation. Upon inquiry to the adoption subsidy unit, we were told that we were ineligible to apply because Our son would not qualify for the subsidy and it was "too late", even though the adoption was not yet finalized. The Adoption Services Unit caseworker also stated we could apply for a state medical subsidy only and that Our son may be eligible. Subsequently the State sent an application for the State medical subsidy program and it was subsequently approved for limited medical needs. The Adoption Subsidy Program intake worker refused to send us an application for the adoption support subsidy. We assumed that what we were told was correct.

In May and August 2003, we obtained the remainder of the file on Our son's birth mother, at least according to what the adoption agency was able to find. When we learned of the birth mother's multiple and severe medical, emotional and physical conditions, our son's destructive incoherent rages, aggression, learning disabilities and numerous physical problems became understandable. In November, 2003, our son had an extensive, comprehensive evaluation at the leading research diagnostic clinic for alcohol exposed individuals and children in Seattle. Upon completion of this evaluation, we finally obtained the last pieces of the puzzle that is our son. Our son has been diagnosed as having permanent non-progressive brain damage due to prenatal alcohol exposure, vision impairments, jaw deformities, ketotic hypoglycemia, severe emotional and behavioral disorders, bi-polar disorder, seizure disorder, heart murmur, asthma, allergies, chronic respiratory problems, oppositional defiant disorder and attention deficit hyperactivity disorder.

In June 2002, as soon as we had what they thought was most of the information concerning Our son's physical and mental condition, latent at the time of his birth, placement, and adoption. Because of the growing medical and emotional disabilities our son had I did research in order to find out about post adoption support subsidies under federal title IV-E. I was in touch with a few of the countries leading experts on title IV-E and subsequently began sharing our story with Dr. Timothy O'Hanlon. It was at this time that we became aware that our son was entitled, and eligible, for a federal adoption subsidy and that he was also eligible at the time we first requested it in 1992, prior to his adoption finalization. With the help of Dr. O'Hanlon, we applied for a post adoption support subsidy through the MI FIA.

The FIA has denied our request three (3) times for an adoption subsidy review. We were denied at the agency level by letter dated January 13, 2003, we were denied after preliminary recommendation of Terrence C. Merrick, the Administrative Law Judge on October 29, 2003, and by its Final Decision and Order issued by the former head of FIA on November 5, 2003. In its three decisions, the State ignored the extenuating circumstances and facts completely, deeming them irrelevant to the inquiry at hand. The FIA also vigorously denied that the fact that they were out of compliance with federal IV-E adoption support subsidies and stated we had no documents stating otherwise from HHS.



Curious to me was an incident that occurred at the administrative hearing in June 2003. After the hearing ended, we were walking to the elevator and the ALJ, Terrance Merrick stopped us. He stated that he wanted us to know that only one year prior to this he had the authority to overturn a case such as ours and likely would have. However, FIA took away the ALJ's authority in adoption support

subsidy cases only. They could only make a "recommendation" and then, within 60 days, the FIA Dept. Director renders a final decision.



In 2004, we appealed the FIA decisions. In May 2004, I sent a letter to the US Dept. of Health and Human Services, several weeks before our appeal, challenging Michigan's discriminatory administration of the Federal IV-E Program and asking for the fed's to intervene. I received a call back on May 10th, from Carolyn Wilson-Hurey, who is the person that oversees Michigan and some of the mid-west States in response to my letter.



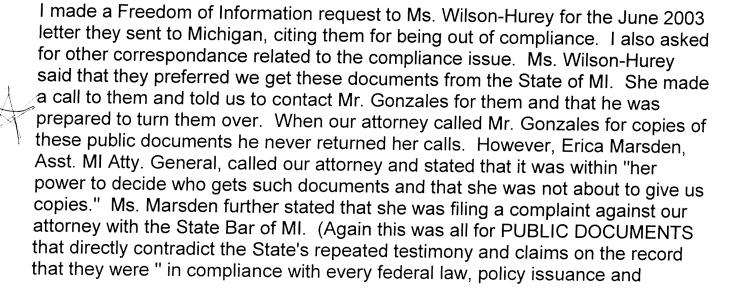
Ms. Wilson-Hurey began by stating that she was in receipt of my letter and that what I outlined in my letter was correct and that the DHHS was aware of Michigan being out of compliance in these areas. She told me about the letter sent to Michigan in June 2003 citing them for being out of compliance with federal IV-E and that Michigan responded in August 2003 by stating that they would make the changes and have it to the legislature by Dec. 2003.



I did some checking and discovered Michigan had not done what they told DHHS they would do. I again contacted Ms. Wilson-Hurey and specifically asked why DHHS has not followed up on this. Ms. Wilson-Hurey stated to me that "we (DHHS) dropped the ball". Ms. Wilson-Hurey told me that she had assigned someone from her office, to provide oversight and technical support to Michigan to ensure that they come into compliance as required by federal law.



Ms. Wilson-Hurey indicated that she was forwarding my letter of complaint to State FIA officials to investigate and respond to. It was sent to Longino Gonzales, Director of Children & Family Svs., and we have yet to receive any response at all.





regulation" of which this Federal DHHS letter stated otherwise.) The State, by the way, still asserted this claim with their opening comment in the hearing on June 25th, 2004.



On January 31st, 2005 I made a Freedom of Information request of the MI Family Independence Agency. Dr. Timothy O'Hanlon, one of the country's leading experts on Title IV-E, gave the following summary of the documents we received in relation to our case:

Opinion of Timothy O'Hanlon, PhD of Our sonander Haddock Case Michigan's Adoption Assistance Program and Freedom of Information Documents

Recent information secured by Cheryl Haddock through the Freedom of Information Act clearly confirms that the Michigan's Family Independence Agency continued to invoke state adoption assistance laws and policies as grounds for denying Our sonander Haddock's application for adoption assistance that the agency knew were out of compliance with federal policy and federal Title IV-E State plan requirements. The Haddock's consistently argued that Michigan's laws and the FIA's policies were in conflict with both federal law and Michigan's IV-E State Plan requirements. Even though they cited provisions singled out by federal officials as noncompliant, the FIA continued to cite the flawed provision throughout the various stages of Haddock's appeal. At the same time, the agency quietly acknowledged that certain of its adoption assistance policies were out of compliance, including those invoked to deny the Haddock's request for adoption assistance. During the entire course of the family's appeal, FIA representatives carried on a dialogue with federal officials concerning the actions it was taking to bring state laws and policies into compliance.



Michigan's FIA:

- Withheld information about its compliance problems throughout the various stages of the Haddock's appeal process.
- Cited policies as grounds for denying Our sonander Haddock's eligibility for adoption assistance that it
 knew were out of compliance with federal law. FIA denied arguments presented by the Haddocks that the
 agency knew to be correct.
- 3. By acting in bad faith, the FIA violated the Haddock's due process rights which ironically are also federal adoption assistance requirements and mandatory components of Michigan's IV-E State Plan.
- 4. By acting in bad faith, caused the Haddocks to exhaust their financial resources. The FIA caused the Haddock's to prepare arguments and provide documentation in rebuttal to policy assertions the agency knew to be incorrect.
- 5. The entire hearing and appeals process was tainted by the duplicitous, dishonest behavior of the Michigan FIA. The FIA' conduct resulted in a grave injustice to a special needs child with fetal alcohol syndrome and other serious developmental disorders.



In 2003 Bonnie Watkins of the Adoption Subsidy Unit made, what I consider, a veiled threat to us and to the private adoption agency, LDS Family Services about my 9 year old adoptive daughter, who is no party to our adoption support subsidy case. Ms. Watkins stated that my perhaps my daughter shouldn't be receiving the state medical subsidy program and that perhaps they needed to take a look at it. The retaliation that this Dept. takes against families who vigorously pursue this federal entitlement program for their disabled adoptive children is very real. You have heard from families about it in this hearing.



The MI Dept. of Human Services has been told, more than once, to fix the areas out of compliance and to contact the families to reconsider the children who were denied based on the non-compliant areas. They have not done it and I have come to the assumption that they do not intend to do so. I truly believe that they hope to continue to financially and emotionally exhaust the resources of families in the hopes that they will go away. Sadly, the MI DHS Director has the authority today to meet with these families to rectify these unjustly handled cases by her Department while her staff is correcting the compliance issues to meet federal requirements.



As you can see, there is no "fair hearing", no "due process", no "civil rights", no dignity or fairness at all being afforded to the adoptive families by the MI Dept. of Human Services, in their administration of Federal IV-E adoption subsidy program. I am shocked and disheartened by the unchecked, unmonitored behavior of the MI Dept. of Human Services by our State that I cannot even begin to put it into words.



I can only pray, that finally, our Legislature here today, is taking notice to end this horrific situation happening to some of the most vulnerable of our society.

I pledge my time, support and emotional energy to seeing this through for my son, and for the other children and families like him.

If I can help in any way, I am here to do so.